



**Agriculture
and Markets**

Dairy Promotion Order

Update to the Milk Marketing Advisory Council

October 13, 2022

Dairy Promotion Order (DPO)

What is the Dairy Promotion or “Check Off” Program?

- In 1983, under the mandated USDA national “checkoff” program, milk producers in the US are required to pay 15 cents per hundredweight (cwt) of milk produced to be spent, on an annual basis on promotion and research (7 U.S.C. 4501-4514)
- In New York State the NYSDPO was proposed in 1972 and approved by a referendum vote of NY Dairy Producers (<https://www.nysenate.gov/legislation/laws/UDA/16-X>)
 - The New York State law requires an assessment of 10 cents per cwt on all NY produced milk, this money is sent to the NYSDPO on a monthly basis.
 - This is the maximum rate allowed to offset the national obligation which means 10 cents stays in NYS for NY programming and 5 cents is sent to USDA for national programming
- The NYSDPO collected over \$15 million in revenue in 2021 and is expecting to collect over \$15 million in 2022 & 2023. These funds are allocated to organizations based on goals set by the NYSDPO board

Board Member Roles & Responsibilities

The NYS Dairy Promotion Advisory Board is comprised of ten New York State dairy producers who advise and recommend to the Commissioner of Agriculture and Markets how the NYSDPO funds are spent.

NYS Dairy Promotion Order Members



2023 Funding Selection Process

The process used by the Dairy Promotion Order Advisory Board included:

- Identifying overall goals for Promotion and Research
- Issuing press releases seeking proposals that met these goals
- Reviewing and ranking the submitted proposals
- Recommending funding based on the rankings and available funding.

Requests for Promotion Proposals for 2023

The DPO Advisory Board met on June 14th to vote on its priorities and goals for 2023.

The Board identified eight goals to guide its promotion work in boosting the dairy industry in New York State:

- Increase the consumption of New York milk and dairy products by youth (lunches, breakfasts, and other offerings)
- Promoting uniqueness of, and increased sales of, New York milk, dairy products and / or ingredients throughout the entire food supply chain through various distribution channels and partnerships, including but not limited to, e-commerce, curbside sales, etc.

Requests for Promotion Proposals for 2023 (Cont.)

- Proactively improve the image of dairy products and / or dairy producers' farming practices among consumers, thus improving the acceptance and consumption of New York milk and dairy products.
- Improve communication to dairy producers and dairy stakeholders to inform them how they can assist in improving the consumption of New York milk and dairy products by highlighting the sustainability story.
- Increase the sales and consumption of milk and dairy products produced in the US and exported to other countries.

Requests for Promotion Proposals for 2023 (Cont.)

- Participation in national programs influencing increased consumption of milk and dairy products.
- Create target marketing to promote the consumption of NYS Milk and dairy products to Gen Z (10 to 23 years old).
- Develop and implement marketing strategies that are inclusive of the socially diverse population to increase the consumption of NYS milk and dairy products.

Promotion Proposals Received

- The DPO received Promotion proposals from 12 different organizations, requesting roughly \$17.148 million.
- From these proposals, the Board recommended funding seven organizations for projects that totaled \$13.865 million.

Requests for Research Proposals for 2023

The Board also outlined their research goals for 2023. The research goal was defined as projects that:

- Conduct research projects that create new products and / or enhance the safety, quality, and sensory attributes to expand the demand for New York dairy products and dairy ingredients.

Research Proposals Received

- The DPO received research proposals from two different organizations requesting roughly \$1.686 million.
- From these proposals, the Board recommended funding two organizations for projects that totaled roughly \$1.483 million.

Recommended for Funding in 2023

Dairy Promotion:

American Dairy Association North East:	\$10,200,000
New England Dairy Promotion Board:	\$ 1,637,000
Cornell Agriculture in the Classroom:	\$ 650,000
Milk for Health:	\$ 465,000
New York Animal Agriculture Coalition	\$ 435,000
NY Dairy Product Runway	\$ 278,420
<u>Burt Media Group:</u>	<u>\$ 200,000</u>
Total Promotion	\$13,865,420

Dairy Research

MQIP:	\$ 857,060
<u>NEDFRC:</u>	<u>\$ 626,019</u>
Total Research	\$1,483,879

Overview of 2023 Research Applications

Description	2023 Proposed	2023 Recommended
MQIP - Dairy Product Quality and Safety Program	449,580.00	449,580.00
Supp #1: Preparing the NY dairy industry for eCommerce distribution channels	114,460.00	114,460.00
Supp #2: NYS Raw Milk Quality: Benchmarking to facilitate continuous improvement and consumer acceptance	107,970.00	107,970.00
Supp #3: Detection, identification and tracking of thermoduric and non-starter lactic acid bacteria throughout the dairy value chain	94,400.00	94,400.00
Supp #4: Modeling tools to support a resilient NY dairy industry	95,000.00	-
Supp #5: Developing best practices for prevention of sanitizer in milk	91,450.00	91,450.00
Subtotal Cornell MQIP	952,860.00	857,860.00

Overview of 2023 Research Applications (cont.)

NEDFRC		
Proj. #1: Transfer technology processing chemistry research results to industry	56,758.00	56,758.00
Proj. #2: Technology transfer for the NDFRC	13,570.00	13,570.00
Proj. #3: Source and control of variation in butter (and high fat dairy products) hardness	71,036.00	71,036.00
Proj. #4: The role of milk salts on heat stability of milk protein in high milk protein beverages	73,750.00	73,750.00
Proj. #5: Leavened dairy	45,103.00	45,103.00

Overview of 2023 Research Applications (cont.)

Proj. #6: Enabling natural, enzymatic processing technologies to improve dairy product quality and safety	44,513.00	44,513.00
Proj. #7: Rare sugar sweetened yogurt - a novel process for better tasting, healthy, and natural dairy-derived sweeteners	102,399.00	102,399.00
Proj. #8: Novel process for the manufacture of shelf stable yogurt powder with live and active cultures	106,200.00	106,200.00
Proj. #9: A high pressure homogenization approach for obtaining clean label, extended shelf-life cream	107,380.00	-
Proj. #10: Production of novel, dairy-based, nutritionally supplemented, snack products and in-mouth dissolving puffs via supercritical CO2 extrusion	112,690.00	112,690.00
Subtotal Cornell NEDFRC	733,399.00	626,019.00

DPO Budget for 2023

The NYS DPO recommended budget for 2023 was:

Revenues	\$ 15,500,000
Promotion Projects	\$ 13,865,420
Research Projects	\$ 1,483,879
Administration	<u>\$ 150,000</u>
Total Expenses	\$ 15,349,299
Net Budget	\$ 701

THANK YOU